

Revisions to Attachment A

Cost Benefit Analysis Summary Sheet Railroad Bridge Inspections (Based on Analysis of FY2010 Consultant Expenditures)			
Expenditure Description	Actual Consultant Costs	Est. State Forces Costs	Comments
Payroll:	\$ 942,549.43	\$ 1,278,169.20	15 Employees
Consultant Burden, Fringe & Overhead:	\$ 1,185,631.67		
State Fringes & Additives:			
Unemployment Compensation 0.29%		3,706.69	
Retirement 39.85%		509,350.43	
Est. Social Security 6.20%		79,246.49	
Medicare 1.45%		18,533.45	
Est. Life Insurance 0.14%		1,789.44	
Est. Medical Insurance 16.94%		216,521.86	
Workers Compensation 2.20%		28,119.72	
Longevity Additive 2.44%		31,187.33	
Fringes on Longevity Additive 60.6% of Longevity		18,899.52	
Total State Fringes & Additives:		\$ 907,354.93	
Consultant Fixed Fee for Profit:	\$ 209,448.05	\$ -	
Direct Costs:	\$ 245,444.30	\$ 232,692.85	Assumed same as consultant with the exception of RR Insurance
In-House Payroll/Fringes Charged Directly:	\$ 316,388.00	\$ 84,665.43	State Forces oversight carried forward at 26.76% *
Additional Costs for Training, Equipment and Supplies required if work were performed by State Forces		\$ 71,173.33	
Total Cost Analysis A - (without Indirect Costs):	\$ 2,899,461.45	\$ 2,574,055.74	
Variance from Estimated State Forces Expenditures (without application of an Indirect Cost Rate):	12.6%		
DOT Estimated Indirect Costs on Inspection Direct Labor (26.60%):	\$ -	\$ 339,993.01	State Average Indirect Cost Rate supplied by OPM
DOT Estimated Indirect Costs on In-House Direct Labor (26.60%):	\$ 50,241.65	\$ 13,444.67	
Total Cost Analysis B - (with Indirect Costs):	\$ 2,949,703.10	\$ 2,927,493.42	
Variance from Estimated State Forces Expenditures (including application of an Indirect Cost Rate):	0.8%		
<p>* In-House Payroll/Fringe Expenditures include both Consultant Inspection Oversight as well as Inspection Report Review and Coordination of the methods to address findings. The Inspection Report Review and Coordination portion will continue on, but the Consultant Inspection Oversight will not be required. This portion has been calculated at 73.24% and since it will no longer be required, those hours were used to reduce the additional State Employees required to perform Inspection. The remaining 26.76% of the original \$316,388 In-House expenditures, (\$84,665.43) will be carried forward in the analysis as ongoing oversight.</p>			

Office of Rails – with Additional Staffing

Proposed Organization Chart of Office of Rail - 12/9/10

